

BRITISH AMERICAN DRAMA ACADEMY
(Limited by Guarantee)
Registered Charity No. 291796
Registered Company No. 1828640

Statement of accounts

for the year ended

30th April 2022

BRITISH AMERICAN DRAMA ACADEMY

REPORT OF THE BOARD OF TRUSTEES

The Board of Trustees of the British American Drama Academy (which also operates under the name of BADA) presents its annual report and audited financial statements for the year ended 30 April 2022.

Reference and administrative details

Trustees

M. Boyle (Resigned 22 February 2022)
 Z. Ashcroft (Appointed 16 June 2021)
 L. Chantal
 C. Cook (Resigned 27 June 2022)
 O. Ewedemi (Appointed 16 June 2021)
 V. Fitzpatrick (Appointed 26 September 2022)
 D. Gelon
 R. Hogarth
 M. John (Appointed 16 June 2021)
 R. Johnson (Appointed 16 June 2021)
 S. Joshi (Appointed 26 September 2022)
 J. Lu (Appointed 26 September 2022)
 M. Trueman (Appointed 26 September 2022)
 M. Whitlum-Cooper (Interim Chair)
 M. Whittaker

Key management

Dr. L. Franke - Managing Director
 E. Roberts - Dean
 H. Ainsworth FCA – Finance Director

Registered and Principal office

14 Gloucester Gate
 Regents Park
 London
 NW1 4HG

Auditors

RSM UK Audit LLP
 Chartered Accountants
 STC House
 7 Elmfield Road
 Bromley
 Kent
 BR1 1LT

Bankers

Virgin Money
 154 – 158 Kensington High Street
 London
 W8 7RL

Solicitors

Winston & Strawn London LLP
 City Point, One Ropemaker Street
 London
 EC2Y 9AW

RLS law
 Suite 30-33
 The Hop Exchange
 24 Southwark Street
 London
 SE1 1TY

BRITISH AMERICAN DRAMA ACADEMY

REPORT OF THE BOARD OF TRUSTEES

Structure, governance and management

The Academy is a company limited by guarantee, registered in England and Wales No. 1828640, governed by its Articles of Association dated 23rd April 2018. It is a registered charity in England and Wales No. 291796.

The Board of Trustees is responsible for the governance of the Academy. Its members act both as Trustees of the Charity and Directors of the Company. It meets at least every four months to fulfil its governance responsibilities. Management of the Academy is delegated to a small Executive team, under the leadership of the Managing Director working in close cooperation with the Dean and the Finance Director, reporting to the Trustees regularly.

The Board of Trustees has established three principal committees to discharge functions relating to the administration and management of the Academy:

- Finance & General Purposes Committee which meets at least every four months. Members are Richard Johnson, Maggie Whitlum, Zoe Ashcroft and Ruth Hogarth. Marcus Boyle and Christopher Cook were also members of this committee until their resignation as trustees.
- Academic and Artistic Committee which meets at least twice a year. Members are Louise Chantal, Ruth Hogarth, Matt Trueman and Donna Vinter (External Advisor). Christopher Cook was also a member of this committee until his resignation as trustee.
- Fundraising Committee which meets at least every four months. Members are Lydia Carlston, Diane Gelon, Richard Johnson, Samir Joshi, Maggie Whitlum and Melanie Whittaker.

We also have a BADA Council which retains the wisdom and goodwill of our past Governors and Associate Artists.

Public benefit disclosures

Providing access to financial aid is seen as an integral part of the recruitment process and particular attention is paid to ensuring that gifted students are given assistance to enable them to attend the courses. The Trustees have considered the impact of the public benefit requirement including the guidance issued by the Charity Commission and believe that the Academy meets the tests. BADA has always sought to attract those who cannot afford the fees charged, by the provision of scholarships and financial aid.

In the pre-pandemic age, over two thirds of our students received financial aid ranging from full scholarships to smaller contributions. After a hiatus of eighteen months we welcomed back our first students in September 2021 for the Fall London Theatre Program. As we have moved through our program offering, the reduction suffered in our reserves has meant that we have had to reduce the financial aid available and currently just over half of our students have received scholarships of varying amounts. As we build back our reserves and commence on a scholarship fundraising program (see below) we believe that we will be in a position to increase the number of students in receipt of financial aid back to pre-pandemic levels.

Financial aid awards made in the year were £99,146 (2021: £nil).

Objectives and activities

The objects, as detailed in the Articles of Association, include: the advancement of education and the benefit of the community by stimulating and giving instruction in all aspects of the performing and theatrical arts; to establish, maintain and support courses for those who meet the Academy's criteria for participation; and to provide financial assistance to enable attendance.

The Academy seeks to achieve these aims through its residential summer programs in Oxford and Greece and its Fall and Spring Term courses in London, the London Theatre Program (LTP), which is co-sponsored by Sarah Lawrence College in New York. A formal agreement between the Academy and Sarah Lawrence College sets out the sharing and distribution of the program resources. Links with major universities and colleges in the United States of America, together with a policy of auditioning all prospective students ensure a high standard of those attending the courses. Particular attention is paid to the overall experience enjoyed by the students. This also serves to encourage word of mouth promotion by alumni and teachers which is seen as one of the Academy's strengths, evidenced by the high level of interest in the programs encountered by our representatives as they visit colleges in the USA.

Achievements and performance

Restrictions on international travel and the implications of social distancing meant that we were unable to run our Oxford programs in the summer of 2021. However, the roll-out of a vaccine programme on both sides of the Atlantic followed by the relaxation of travel and social distancing restrictions in July 2021, enabled us to open up our premises and welcome 31 students in September 2021 for the Fall semester of the LTP followed by a further 43 students for the Spring semester in January 2022, a record 74 students in total for the LTP. This compares to a total of 56 students for 2019/20 and 68 for 2018/19 highlighting the strength of the reputation that the Academy holds within the academic and professional theatre worlds.

BRITISH AMERICAN DRAMA ACADEMY

REPORT OF THE BOARD OF TRUSTEES

Financial review

Income from our programs for the year was £1,635,289 (2021: £224,164). Whilst we were unable to run any programs in the 2021 financial year our agreement with Sarah Lawrence College is structured in such a way the even with there being no students the College was required to provide us with some funding. The significant uplift in income for the year under review as a result of the re-opening of our doors to record student numbers for the LTP is clearly apparent and has a direct impact on our results for the year. The Academy made a surplus for the year of £197,371 (2021: deficit £499,411) heralding a momentous turn round in the Academy's fortunes and setting us firmly on the path to the rebuilding of our reserves.

Key risks and uncertainties disclosures

The major risks to the Academy are kept under frequent review and addressed as necessary. As most of the Academy's students are from the United States of America, international events and economic downturns could adversely affect student numbers. The risk of a significant and unforeseen reduction in student numbers has been brought into sharp focus by the impact of the COVID-19 pandemic and the loss, over an 18 month period, of the LTP program for one academic year and the Oxford programs for the summers for 2020 and 2021, and the consequent loss of income.

The Trustees consider that the principal risks and uncertainties facing the Academy are as follows:

- unforeseen reduction in student numbers;
- maintenance of reputation;
- effect of exchange rate changes.

The Academy's financial risk management objectives are to ensure funding resources and to continue to monitor costs. The Board regularly reviews budgets, forecasts and currency exposure. The due diligence of the Board in discharging its governance responsibilities has been brought to the fore by the COVID-19 pandemic as they have worked closely with the Executive to draw up and implement detailed financial plans to mitigate the impact of COVID-19. The results of the due diligence exercised by the Board are evident in the financial results for the year.

Plans for future periods

In June 2022 we welcomed the first students and theatre practitioners, 18 in total, to our Greek Theatre Program, a month long summer three centre (London, Greece, Oxford) program, dedicated to exploring the performance and reception of ancient drama. This intense, interdisciplinary course not only combines performance and academic research to immerse participants in the world of the classical Greek theatre but also includes the unique opportunity to explore multiple ancient sites and to visit archives and exhibits normally reserved for scholars. The program was extremely successful both from feedback received from the participants and financially. Applications for the 2023 program open in October 2022.

In July 2022, after having missed both summers of 2020 and 2021, we welcomed a total of 126 students to our residential summer programs in Oxford. Student numbers for the summer of 2019 were 112 and the post pandemic increase therefore affirms the demand for our programs and the high regard in which they are held, even more so after such a long period of being dark.

The Fall semester of the LTP is already in full swing and we have 34 students in attendance. Applications are now open for the Spring 2023 semester and 57 applications have been received to date, the highest ever number at this stage. The application window is due to close in mid October 2022.

Applications are also due to open in October for a new month long summer program, Black British Theatre. This program provides an overview of contemporary Black British theatre and performance. Play texts by major Black British Writers such as Roy Williams, Winsome Pinnock and Debbie Tucker Green, will be analysed from social and cultural contexts framed by theories of identity, representation, nationalism, race, gender, sexuality and class. Twice weekly theatre trips combined with masterclasses from major influencers in contemporary theatre will broaden the contexts of the program.

Supporting students through the provision of scholarships remains a key focus of BADA's activities. In 2021, BADA shared an ambitious case for support with its Board, whose goal is a target of \$1.7 million to fund 30 full scholarships for underprivileged students to study at BADA over the next three years. In early 2022 the Board created a Fundraising Committee as formal subcommittee of the Board to provide resource and support as BADA moves forwards in its ambitions for fundraising on a larger scale. Since then, a report into prospects at US trusts and foundations has been commissioned and completed by an external specialist. The Board has also actioned research into individual donor prospects which is ongoing.

REPORT OF THE BOARD OF TRUSTEES**Going Concern**

The re-opening of our premises for the LTP in September 2021 signified the start of the Academy's comeback after having been prevented from running any of our programs for an 18 month period. We have now successfully run a complete cycle of our programmes including the new Greek Theatre Program, with greater student numbers in total than previously experienced which has a positive impact on the contribution from these programs to our results for the year. This pattern of increased student numbers appears to be repeating itself for the current LTP. The positive outcome of the increased student numbers on our programmes is evident from our results for the financial year under review.

In terms of exposure to the impact of inflation on our overheads, the Academy's most significant overheads are salary and property costs. Any increases in salary costs will be managed internally. The five year lease of the premises at Gloucester Gate was renewed in December 2021 with the leading childcare provider who sublet part of the premises renewing their sublease in June 2022. We therefore have security of tenure and confirmed rent payments as well as rental income until December 2026. We have fixed price contracts with our energy providers, with that for gas expiring in September 2023 and that for electricity in October 2024. The Academy is therefore protected as well as it can be from the impact of the current inflation forecasts.

Exposure to the exchange rate fluctuation is one of Academy's key risks as identified by the Board with fees for our programmes being invoiced and received in US dollars. The current trajectory of the US dollar to sterling exchange rate, hitting a 35 year low, will give rise to significant exchange gains as well as making the UK more attractive to students as a place of study.

The Board has always taken a cautious view when considering the financial outlook for the Academy, a view which has served it well and has ensured that the Academy finds itself emerging from the pandemic with a sound reserve base. Looking forward to 2023/24 the same cautious view of the outcomes of the key contributors to the Academy's finances have been applied. These forecasts indicate that the Academy has sufficient cash and general unrestricted reserves to meet its financial obligations going forward. The Board is therefore of the opinion that the Academy has the ability to continue as a going concern for the foreseeable future.

Reserves

The Academy's unrestricted reserves at 30 April 2022 were £564,536 (2021 - £378,165) representing approximately six months of the Academy's general overheads. Unrestricted reserves pre pandemic stood at £877,576, a sound base which enabled the Academy to meet its financial obligations over the intervening period. The surplus for the year under review is the first step in the rebuilding of our accumulated reserves and will continue to be a priority of the Academy.

Equal opportunities

The Academy is deeply committed to equality of opportunity for staff and students alike. Its vision is to enable US and other international students to participate fully in our courses, irrespective of barriers they may face linked to ethnicity, class, disability, gender, sexuality, socioeconomic or any other.

In response to the Black Lives Matter movement in June 2020 the Academy established a Diversity Action Group comprising staff, members of faculty and alumni to review all current policies and practices to ensure that BADA is at the forefront of change and inclusion. Since then, the Academy has taken steps towards fulfilling this commitment including, but not limited to, introducing mandatory and ongoing unconscious bias diversity training for trustees, staff and faculty; the successful appointment of eight new trustees to the Board increasing the diversity of voices governing the organisation; reviewing and updating our offer to students on existing courses and creating the new Black British Theatre program; developing fruitful relationships with external JEDI consultants and diverse theatre organisations to advise us and to inform the changes we are making.

BADA continues to invest in upgrading its premises to improve access.

REPORT OF THE BOARD OF TRUSTEES

Statement of Trustees' responsibilities

The Trustees (who are also directors of the British American Drama Academy for the purpose of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standard have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

The Trustees confirm that so far as they are aware, there is no relevant audit information of which the company's auditor is unaware. They have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

RSM UK Audit LLP is deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Small companies' exemptions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Approved by the Board of Trustees on 20.10.22 and signed on their behalf by



M Whitum Cooper
Interim Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITISH AMERICAN DRAMA ACADEMY

Opinion

We have audited the financial statements of the British American Drama Academy (the 'charitable company') for the year ended 30th April 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 April 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report of the Board of Trustees other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of the Board of Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Board of Trustees, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Report of the Board of Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Report of the Board of Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BRITISH AMERICAN DRAMA ACADEMY
(continued)**

- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Board of Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 5 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BRITISH AMERICAN DRAMA ACADEMY**

(continued)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Helen Hunt

HELEN HUNT (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
STC House
7 Elmfield Road
Bromley
Kent
BR1 1LT

25/10/22

BRITISH AMERICAN DRAMA ACADEMY
(Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30th April 2022

	<i>Notes</i>	Unrestricted General £	Designated £	Restricted £	Total 2022 £	Total 2021 £
Incoming resources:						
Investment income	3	167,806	0	0	167,806	121,192
Fees received		1,635,289	0	0	1,635,289	224,164
Other income		13,419	2,000	13,100	28,519	47,602
Total incoming resources		<u>1,816,514</u>	<u>2,000</u>	<u>13,100</u>	<u>1,831,614</u>	<u>392,958</u>
Resources expended						
Charitable activities:						
Advancement of education	4	1,630,446	1,697	2,100	1,634,243	892,369
Total resources expended		<u>1,630,446</u>	<u>1,697</u>	<u>2,100</u>	<u>1,634,243</u>	<u>892,369</u>
Net incoming/(outgoing) resources and net movement in funds for the year	6	186,068	303	11,000	197,371	(499,411)
Reconciliation of funds:						
Total funds brought forward		325,046	53,119	11,539	389,704	889,115
Total funds carried forward	13,14	<u>511,114</u>	<u>53,422</u>	<u>22,539</u>	<u>587,075</u>	<u>389,704</u>

BRITISH AMERICAN DRAMA ACADEMY
(Limited by Guarantee)

BALANCE SHEET AT 30th April 2022

	Notes	£	2022 £	£	2021 £
FIXED ASSETS					
Tangible assets	7		46,531		5,343
			<u>46,531</u>		<u>5,343</u>
CURRENT ASSETS					
DEBTORS	8		551,703		104,053
CASH AND CASH EQUIVALENTS:					
Short term investments	9		-		-
Cash at bank and in hand			986,213		579,979
			<u>1,537,916</u>		<u>684,032</u>
CREDITORS: amounts falling due within one year	10	(962,372)		(149,671)	
NET CURRENT ASSETS			<u>575,544</u>		<u>534,361</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>622,075</u>		<u>539,704</u>
LESS: PROVISION FOR LIABILITIES AND CHARGES	12		(35,000)		(150,000)
NET ASSETS			<u><u>587,075</u></u>		<u><u>389,704</u></u>
FUNDS OF THE CHARITY:					
<i>Unrestricted Funds:</i>					
Unrestricted general fund			511,114		325,046
Designated Scholarship Fund			53,422		53,119
<i>Restricted Funds:</i>					
Restricted Scholarship Fund			22,539		11,539
TOTAL FUNDS	13, 14		<u><u>587,075</u></u>		<u><u>389,704</u></u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes at pages 12 to 19 form part of these accounts.

Approved and authorised for issue by the Board of Trustees on 29.10.22 and signed on their behalf by

Maggie Whitum-Cooper

M Whitum Cooper
Interim Chair

BRITISH AMERICAN DRAMA ACADEMY
(Limited by Guarantee)

STATEMENT OF CASHFLOWS AT 30th April 2022

	2022	2021
	£	£
Cash flows from operating activities:		
Net income/(expenditure) for the reporting period	197,371	(449,411)
Adjustments for:		
Depreciation and Amortisation charges	12,820	11,592
Interest and rental income	(167,806)	(121,192)
(Increase)/Decrease in debtors	(447,650)	91,961
Increase /(Decrease) in creditors	812,702	(57,099)
(Decrease)/Increase in provision	(115,000)	30,000
	<u>(44,738)</u>	
Net cash used in operating activities	95,066	(544,149)
Cash flows from investing activities:		
Interest receivable	190	382
Rental income	167,616	120,810
Purchase of tangible and intangible fixed assets	7 (54,009)	-
Net cash provided by investing activities	113,797	121,192
Cash flows from financing activities:		
Bounceback loan	-	50,000
Net cash provided by financing activities	-	50,000
Change in cash and cash equivalents in the reporting period	406,234	(372,957)
Cash and cash equivalents at 1st May	(i) 579,979	952,936
Cash and cash equivalents at 30th April	(i) 986,213	579,979

(i) Analysis of changes in net debt

	At 1 May 2021 £	Cashflows £	At 30 April 2022 £
Cash and Cash Equivalents			
Cash	579,979	406,234	986,213
Cash Equivalents	-	-	-
	<u>579,979</u>	<u>406,231</u>	<u>986,213</u>
Borrowings			
Debt due within one year	(50,000)	-	(50,000)
Debt due after one year	-	-	-
	<u>(50,000)</u>	<u>-</u>	<u>(50,000)</u>
Total	529,979	406,231	936,213

BRITISH AMERICAN DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30th April 2022

1. Constitution

British American Drama Academy, a registered charity, is a company limited by guarantee not having a share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of its winding up.

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(i) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

British American Drama Academy meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

(ii) Going concern

The year to 30th April 2022 commenced with the difficult decision to cancel the summer 2021 Oxford programmes due to the continuing impact of the Covid-19 pandemic. However, the roll-out of a vaccine programme on both sides of the Atlantic combined with the relaxation of travel and social distancing restrictions meant that the Academy was able to re-open its doors in September 2021 for the London Theatre Programme with a record number of students attending. This pattern of increased student numbers has continued throughout the summer 2022 programmes and into the LTP for the current 2022/23 academic year. The positive outcome of increased student numbers is evident from our results for the financial year under review.

Property and staffing are the Academy's most significant overhead costs. Any increases in staffing costs will be managed internally. The Crown Estate renewed our lease at Gloucester Gate in December 2021 and the leading childcare provider who sublet part of the premises renewed their sublease in June 2022. The Academy therefore has security of tenure with confirmed rent payments as well as rental income until December 2026. With fixed price contracts from our energy providers not due to expire until the autumn of 2023 at the earliest, the trustees considers that the Academy is as protected as it can be from the impact of the current inflation forecasts.

Fees for all our programmes are invoiced in US dollars and therefore the current trajectory of the US dollar to sterling exchange rate, hitting a 35 year low, will give rise to significant exchange gains as well as making the UK more attractive to students as a place of study.

The Board has always taken a cautious view when considering the financial outlook for the Academy, a view which has served it well and has ensured that the Academy finds itself emerging from the pandemic with a sound reserve base. Looking forward to 2023/24 the same cautious view of the outcomes of the key contributors to the Academy's finances have been applied. These forecasts indicate that the Academy has sufficient cash and general unrestricted reserves to meet its financial obligations going forward. The Board is therefore of the opinion that the Academy has the ability to continue as a going concern for the foreseeable future.

(iii) Income

Income including fees received from programmes, donations and investment income is recognised in the period in which it is earned and expenditure in the period in which it is incurred. Fees received for courses held in the following period are shown as fees received in advance. Non-redeemable application fees are recognised on a receipt basis. All income relates to activities taking place in the UK. Income in respect of fees is shown gross of scholarships granted. Fees received from programmes includes funding due from Sarah Lawrence College in accordance with the agreement for the co-sponsorship of the London Program.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met, and the grants will be received. A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

BRITISH AMERICAN DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30th April 2022

(iv) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include the audit fee.

(v) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of Academy. Designated funds are unrestricted funds of the Academy which the Trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Academy's work or for specific projects being undertaken by the Academy.

(vi) Fixed assets and depreciation

All fixed assets are initially recorded at cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset, less their residual values, over its expected useful life as follows:

Equipment, furniture and fittings	- 25% straight line
Leasehold costs	- over the term of the lease

Assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments in the SOFA. A full year of depreciation is provided in the year of acquisition and none in the year of disposal.

(vii) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

(viii) Cash and cash equivalents

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(ix) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Bank borrowings are initially recognised at the fair value net of any transaction costs directly attributable to the issue of the borrowing instrument. They are then subsequently measured at amortised cost.

BRITISH AMERICAN DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30th April 2022

(x) Financial instruments

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments under Section 11 of FRS 102. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

(xi) Operating leases

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

(xii) Foreign currency transactions

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction, all differences being taken to the income and expenditure account. All balances at the year-end are translated at the rate ruling at the balance sheet date.

(xiii) Pension scheme

The company operates a defined contribution scheme. Contributions to the scheme are charged to the Statement of Financial Activities in the accounting period to which they relate.

(xiv) Termination benefits

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

3. Investment income	2022	2021
	£	£
Bank interest receivable	190	382
Rental income	167,616	120,810
	<u>167,806</u>	<u>121,192</u>

Of the investment income received in the year £nil (2021: £nil) was in respect of restricted funds and £nil (2021: £277) in respect of designated funds.

4. Charitable activities	2022	2021
	£	£
<i>Direct costs</i>		
Scholarships and grants	99,146	-
Accommodation	361,757	-
Teachers	191,802	-
Productions	90,856	-
Excursions	16,299	-
Other course expenses	21,781	-
Administrative staff costs	235,180	376,193
Property expenses	485,701	419,114
Travel expenses	4,719	(697)
Office costs	20,358	13,110
Professional fees	22,209	7,916
Marketing	56,224	6,658
Depreciation	12,820	11,592
Bank & credit card charges	8,871	3,835
VAT on US costs	-	18,904
Foreign exchange gain	(21,871)	6,718
Other expenses	8,591	8,421
	<u>1,614,443</u>	<u>871,764</u>

BRITISH AMERICAN DRAMA ACADEMY

NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30th April 2022

4. Charitable activities (continued)

Governance costs		
Professional fees	-	2,605
Audit fees	19,800	18,000
	<u>19,800</u>	<u>20,605</u>
Advancement of education costs	<u>1,634,243</u>	<u>892,369</u>

Of the total expenditure on the advancement of education for the year of £1,634,243 (2021: £892,369), £2,100 (2021: £Nil) was from restricted funds and £1,697 (2021: £Nil) was from designated funds.

5. Staff costs and Trustees' remuneration

	2022 £	2021 £
Salaries	242,121	251,893
Termination payments for loss of office	-	3,766
Social security costs	21,792	25,195
Pension costs	8,586	9,185
	<u>272,499</u>	<u>290,039</u>

There were 2 (2021 - 2) employees with emoluments greater than £80,000 but less than £90,000, for whom pension costs of £3,620 each (2021 - £3,620) were paid.

The key management personnel of the charity during the year comprised the Managing Director, the Dean and the Finance Director. The total employee benefits of the key management personnel of the charity were £213,318 (2021 - £208,527). The employer's national insurance contributions in respect of the key management personnel were £21,905 (2021 - 20,447).

There were 1 (2021 - £nil) Trustees as listed below who received remuneration from the Academy which was wholly earned in their capacity as a teacher. The fees were paid under the legal authority within the Charities Act 2011. There were no amounts outstanding at 30 April 2022 (2021 - £nil).

	2022 £	2021 £
C. Cook	1,199	-

In addition, travel costs of £nil (2021 - £nil) were reimbursed to nil (2021 - nil) Trustees.

5a. Staff numbers

There were 6 employees (2021 - 5) to whom retirement benefits were accruing under a money purchase scheme.

The average number of full time equivalent employees during the year were as follows:

	2022 No.	2021 No.
Administrative	<u>6</u>	<u>6</u>

BRITISH AMERICAN DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30th April 2022

6. Net incoming/(outgoing) resources for the year

Net incoming/(outgoing) resources for the year is stated after charging:	2022	2021
	£	£
Operating leases – property rentals	312,152	324,500
Depreciation	12,820	11,591
Auditor's remuneration – external audit	19,800	18,000
Auditor's remuneration – other services	-	2,605
Government grant (Coronavirus Job Retention Scheme)	-	(27,316)
	<u> </u>	<u> </u>

7. Tangible fixed assets

	Leasehold costs £	Equipment, furniture & fittings £	Total £
Cost:			
At 1st May 2021	400,314	72,535	472,849
Additions	49,522	4,487	54,009
Disposals	(400,314)	(34,128)	(434,442)
	<u> </u>	<u> </u>	<u> </u>
At 30th April 2022	49,522	42,894	92,416
Depreciation:			
At 1st May 2021	400,314	67,193	467,507
Charge for the year	9,904	2,916	12,820
Eliminated on Disposal	(400,314)	(34,128)	(434,442)
	<u> </u>	<u> </u>	<u> </u>
At 30th April 2022	9,904	35,981	45,885
Net book values:			
At 30th April 2022	<u>39,618</u>	<u>6,913</u>	<u>46,531</u>
At 1st May 2021	<u>-</u>	<u>5,343</u>	<u>5,343</u>

8. Debtors: amounts receivable within one year

	2022	2021
	£	£
Sarah Lawrence College	21,383	393
Prepayments and accrued income	530,320	94,673
Fee debtors	-	8,987
	<u>551,703</u>	<u>104,053</u>

Sarah Lawrence College accredits the London Theatre Programme and administers the applications process.

9. Short term investments

	2022	2021
	£	£
Balance at 1st May	-	402,020
Transfer to Cash management account	-	(402,296)
Interest earned in year	-	276
	<u>-</u>	<u>-</u>
Balance at 30th April	<u>-</u>	<u>-</u>

BRITISH AMERICAN DRAMA ACADEMY

NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30th April 2022

10. Creditors: amounts falling due within one year	2022	2021
	£	£
Fees invoiced in advance (see note 11)	426,153	27,539
Other creditors	475,081	63,022
Bounceback loan	50,000	50,000
Taxation and social security	11,138	9,111
	<u>962,372</u>	<u>149,672</u>

A coronavirus bounceback loan was secured in March 2021, it is repayable over 6 years with an interest rate of 2.5%.

11. Fees invoiced in advance	2022	2021
	£	£
Balance at 1st May	27,539	-
Fees invoiced in respect of following year	398,613	27,539
Released to Statement of Financial Activities	-	-
	<u>426,152</u>	<u>27,539</u>

Fees invoiced in advance represent fees received from students prior to the year end for the following summer's residential programmes. Due to COVID-19 the programmes for the summer of 2020 and 2021 were cancelled, hence there are no fees invoiced in advance for release for either the year end 30 April 2022 or 30 April 2021, these amounts were instead carried forward to summer 2022.

12. Provision for liabilities and charges	2022	2021
	£	£
Balance at 1st May	150,000	120,000
Charged to Statement of Financial Activities during the year	(115,000)	30,000
	<u>35,000</u>	<u>150,000</u>

This provision relates to quinquennial repainting work required to be undertaken by the Academy under the terms of the lease, arising over the period of the tenancy and relating to general wear and tear.

13. Reconciliation of movements on funds

	Balance 1st May 2021	Movements in resources		Balance at 30th April 2022
	£	Incoming resources	Outgoing resources	£
Unrestricted funds:				
Unrestricted General Fund	325,046	1,816,514	(1,630,446)	511,114
Designated Scholarship fund	53,119	2,000	(1,697)	53,422
Restricted Funds:				
Restricted Scholarship Fund	11,539	13,100	(2,100)	22,539
Total	<u>389,704</u>	<u>1,831,614</u>	<u>(1,634,243)</u>	<u>587,075</u>

BRITISH AMERICAN DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30th April 2022

Designated Scholarship Fund

This is an unrestricted designated fund comprising funds the Trustees have set aside from the General Fund to contribute to the cost of scholarships awarded and supporting specific programmes. Scholarships are awarded to individuals at the discretion of the Academy.

Restricted Scholarship Fund

This is a restricted fund containing donations made to the Academy specifically to fund scholarships to students.

14. Analysis of net assets between funds

	General Fund £	Scholarship Fund £	Restricted Fund £	Total Funds £
Fixed assets	46,531	-	-	46,531
Current assets	1,461,955	53,422	22,539	1,537,916
Current liabilities	(962,372)	-	-	(962,372)
Provisions	(35,000)	-	-	(35,000)
Net assets at 30th April 2022	<u>511,114</u>	<u>53,422</u>	<u>22,539</u>	<u>587,075</u>

	General Fund £	Scholarship Fund £	Restricted Fund £	Total Funds £
Fixed assets	5,343	-	-	5,343
Current assets	619,374	53,119	11,539	684,032
Current liabilities	(149,671)	-	-	(149,671)
Provisions	(150,000)	-	-	(150,000)
Net assets at 30th April 2021	<u>325,046</u>	<u>53,119</u>	<u>11,539</u>	<u>389,704</u>

15. Operating lease commitments

	2022	2021
	£	£
The total future minimum lease payments under non-cancellable operating leases for land and building are:		
within one year	308,333	135,208
between one and five years	<u>1,266,667</u>	<u>-</u>

BRITISH AMERICAN DRAMA ACADEMY
NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30th April 2022

16. Taxation

The company is a registered charity and as such its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

17. Capital commitments.

There are no capital commitments in the current year (2021: 145,800).